

DEDICATED SCHOOLS GRANT FINANCIAL POSITION 2016-17

To: Cambridgeshire Schools Forum
 Date: 14th October 2016
 From: Martin Wade - Strategic Finance Manager (Children's & Schools)

1.0 INTRODUCTION

- 1.1 This report provides a summary of the overall 2016-17 Dedicated Schools Grant (DSG) financial position to the end of August 2016.

2.0 UPDATED 2016-17 DSG

- 2.1 Following revised announcements to reflect in-year funding changes and recoupment for academies and High Needs Places the table below shows the revised level of DSG to be received in 2016-17:

	Revised 2016-17 DSG as at July 2016
Schools Block DSG	£328,054,071
3&4 YO Early Years Block DSG	£23,186,306
Indicative Early Years Pupil Premium	£311,190
2YO Early Years Block DSG	£3,631,708
Total Estimated Early Years Block	£27,129,203
15/16 HNB Baseline	£64,138,275
Adjustment Post-16 Residency to Location	-£28,000
Additional High Needs Top-Up Funding	£1,075,530
Adjustment for 16/17 Place Change	-£284,000
Total High Needs Block	£64,901,805
<u>Additional Funding / Reductions</u>	
Induction for NQTs	£111,627
Total Estimated DSG Pre-Recoupment	£420,196,706
less High Needs Place Funding	-£5,803,980
less Academy Recoupment Estimate	-£173,787,978
less Copyright Licence Adjustment	-£468,536
15/16 EY DSG Adjustment	£688,000
Estimated DSG to be received by LA*	£240,824,213

*subject to further academy conversions

- 2.2 At the end of August 2016, there is a forecast in-year overspend of £1.124m in total against available DSG allocations. The full DSG Budgetary Control Report (BCR) be viewed in section 3.1 below, with detailed narrative available in 3.2, but the main areas of overspend can be summarised as:

- There is a forecast overspend of £407k against the budget allocations to Special Schools. This is primarily as a result of an overall increase in commissioned places and actual pupils.
- There is an overspend forecast against the High Needs top-up budget of £350k mainly due to the increase in Post-16 pupils.
- It is estimated that the SEN Placements budget will overspend by £250k.

2.3 As reported to Schools Forum in June the DSG carry-forward available in 2016-17 is £2.45m. This will be used to offset the pressures highlighted above plus the following commitments:

- Residual commitments on Early Years projects.
- Continued rollout of Primary SEMH pilot.
- Temporary increase in Education Other Than At School (EOTAS) devolution for September 2016 – March 2017 to reflect new schools and growth.
- Potential additional growth funding allocations

3.0 DSG BUDGETARY CONTROL

3.1

	Budget for 2016/17	Actual to the end of Aug 2016	Outturn Forecast	
	£000's	£000's	£000's	%
Total Estimated DSG 2016/17	420,197			
Academy Recoupment	-173,788			
High Needs Place Funding	-5,804			
Copyright License Adjustment	-469			
15/16 EY DSG Adjustment	688			
Total estimated DSG to be received 16/17	240,824			
Director of Strategy and Commissioning				
Strategy, Performance and Partnerships	65	27	0	0.0%
<u>Commissioning Enhanced Services</u>				
SEN Placements	8,563	5,082	200	2.9%
Commissioning Services	2,048	715	0	0.0%
Early Years Specialist Support	1,078	246	0	0.0%
<u>Executive Director</u>				
Central Financing	5	0	0	0.0%
Director of S&C Total	11,759	6,069	200	2.1%
Director of Children's Enhanced and Preventative Services				
Children's Centre Strategy	90	0	0	0.0%
Support to Parents	742	744	0	0.0%
SEND Specialist Services	4,564	1,867	0	0.0%
<u>Youth Support Services</u>				
Central Integrated Youth Support Services	125	15	0	0.0%
<u>Locality Teams</u>				
East Cambs & Fenland Localities	351	-34	0	0.0%
South Cambs & City Localities	291	-8	0	0.0%
Huntingdonshire Localities	249	-35	0	0.0%
Director of Children's E&P Services Total	6,412	2,550	0	0.0%

Director of Learning				
Early Years Service	-98	-325	0	0.0%
Schools Partnership Service	99	3	0	0.0%
Redundancy & Teachers Pensions	13	5	0	0.0%
0-19 Place Planning & Organisaion Service				
0-19 Organisation & Planning	622	244	0	0.0%
Early Years Policy, Funding & Operations	0	-82	0	0.0%
Education Capital	0	10	0	0.0%
Director of Learning Total	637	-144	0	0.0%
Total	18,807	8,475	200	1.1%
Contribution to Combined Budgets	4,730			
Overall Total	23,537	-1,241	200	0.8%
<u>Schools</u>				
Primary Schools	147,925	145,679	0	0.0%
Secondary Schools	624	545	0	0.0%
EOTAS	5,213	1,986	0	0.0%
Special Schools	17,570	16,770	407	2.3%
Nursery Schools, Classes & PVI Providers	25,757	17,011	0	0.0%
Schools Total	197,089	181,992	407	0.2%
High needs top-up - mainstream	13,199	6,075	0	0.0%
High needs top-up - Post-16	0	959	0	0.0%
High needs top-up - Early Years	0	43	0	0.0%
High-needs top-up - Other institutions	0	257	0	0.0%
High Needs top-up total	13,199	7,334	350	2.7%
SEN Units	1,729	767	166	9.6%
Special Schools - Outreach	271	219	0	0.0%
Growth Fund	2,000	1,160	1	0.1%
Schools Misc	2,960	-2,505	0	0.0%
Pools and Contingencies	39	-1,162	0	0.0%
Schools Total	217,287	377,128	924	0.0%
Overall DSG	240,824	375,887	1,124	
Schools Financing	-217,287	-105,310	0	0.0%
Financing DSG	-23,537	-9,716	0	0.0%
Grant Funding Total	-240,824	-9,716	0	0.0%

- 3.2 Narrative is given below where there is an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

Service	Current Budget for 2016/17	Forecast Variance Outturn																	
	£'000	£'000	%																
1) Special Schools Quantum	17,570	407	2.3																
<p>It is expected that the Special Schools budget will overspend by approximately £407,000. This is due to the increasing number of children in Special Schools (an increase of 22 since 2015/16) and also by the increasing complexity of need of these children. The increasing complexity of need is supported by the increase in the value of the average top-up per pupil since 2014/15 despite top-up amounts and criteria remaining constant:</p> <table> <tr> <td></td><td>16/17</td><td>15/16</td><td>14/15</td></tr> <tr> <td>Average Special School Top-Up per pupil</td><td>£10,199</td><td>£9,955</td><td>£9,755</td></tr> </table>					16/17	15/16	14/15	Average Special School Top-Up per pupil	£10,199	£9,955	£9,755								
	16/17	15/16	14/15																
Average Special School Top-Up per pupil	£10,199	£9,955	£9,755																
2) SEN Specialist Units	1,729	166	9.6																
<p>The SEN Specialist unit budget is forecast to overspend by £166,000 at year-end. This overspend is primarily as a result of the purchase an additional 25 places in specialist units for the period April to August due to demand. Furthermore, a new Specialist Unit for Autism has recently opened at Trumpington Community College which required funding for 2016/17.</p>																			
3) High needs top-up	13,199	350	2.7																
<p>The High Needs top-up budget is forecast to overspend by £350,000. The main reason for this is an increase in the number of Post-16 pupils.</p> <p>Between June 2014 and June 2016, the number of post-16 students at Further Education colleges increased from 154 to 270. This increase is as a result of national legislative changes which mean that High Needs children may now continue in education until the age of 25.</p>																			
4) SEN Placements	8,563	200	2.9																
<p>The Special Educational Needs (SEN) Placements budget is forecasting a £200k overspend in 16/17. This budget is funded from the High Needs Block (HNB) element of the Dedicated Schools Grant (DSG).</p> <p>This is a similar level to this time last year and highlights the increasing cost for placements. Whilst inflation has been kept very low the cost of new places increases. The number of maintained Statement/EHCP numbers is fairly consistent, but the level of need is escalating. This means that the cost of placements is higher.</p> <table> <tr> <th>Year</th><th>2013</th><th>2014</th><th>2015</th></tr> <tr> <td>No. of Daily placements</td><td>91</td><td>115</td><td>131</td></tr> <tr> <td>Average cost per daily placement</td><td>£35,193.98</td><td>£33,091.96</td><td>£36,652.90</td></tr> <tr> <td>No. of 38 week placements</td><td>43</td><td>49</td><td>37</td></tr> </table>				Year	2013	2014	2015	No. of Daily placements	91	115	131	Average cost per daily placement	£35,193.98	£33,091.96	£36,652.90	No. of 38 week placements	43	49	37
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No. of Daily placements	91	115	131																
Average cost per daily placement	£35,193.98	£33,091.96	£36,652.90																
No. of 38 week placements	43	49	37																

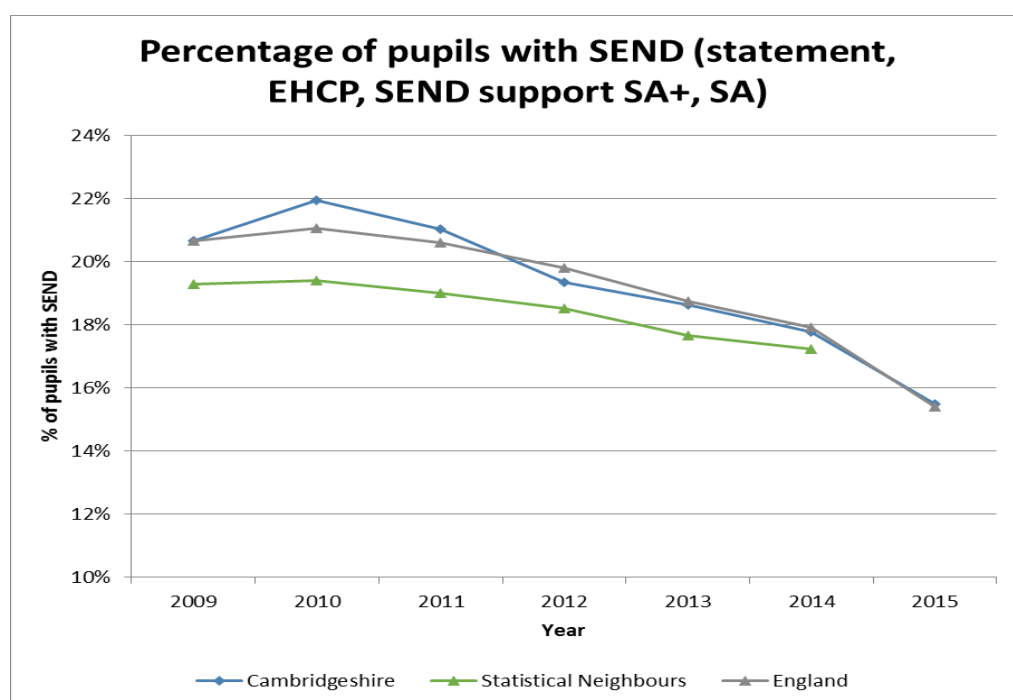
Average cost per 38 week placement	£79,789.44	£79,567.94	£84,383.12
No. of 52 week placements	20	26	20
Average cost per 52 week placement	£206,691.49	£220,039.84	£230,686.73

4.0 HIGH NEEDS DATA

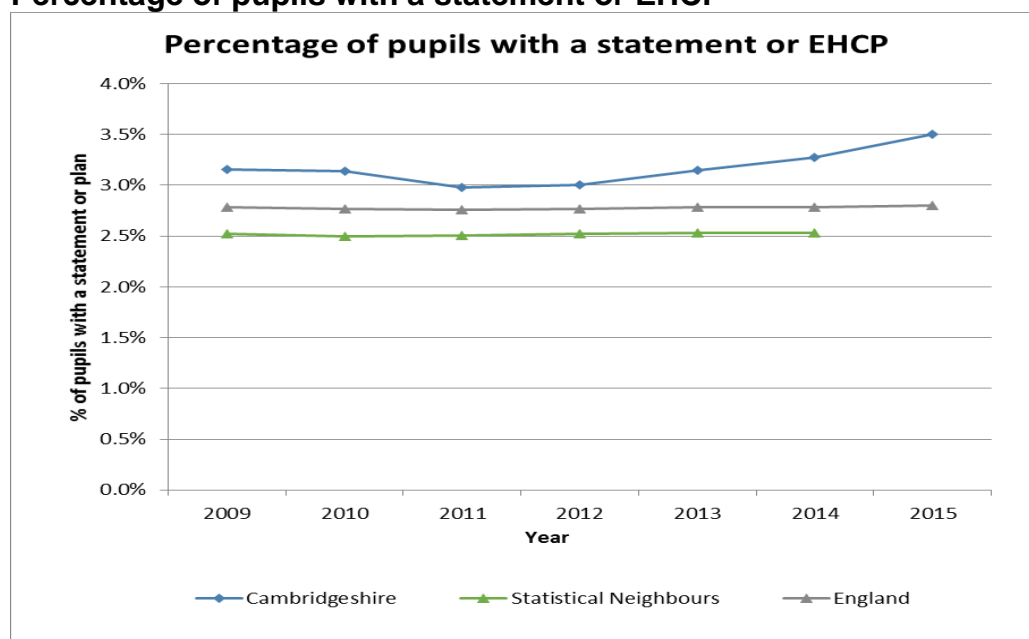
4.1 The data provided below is intended to provide context to the current position.

4.2 Percentage of pupils with SEND

Overall, the percentage of pupils with SEND is decreasing in Cambridgeshire. This is consistent with the national trend. However, as shown in 4.3 below, the percentage of pupils with a statement or EHCP is increasing; these are the children with the highest levels of need requiring the most support.



4.3 Percentage of pupils with a statement or EHCP



- 4.4 The f40 group recently undertook some informal research with its members to ascertain the overall position in respect of High Needs.

In summary, of the 21 local authorities which responded most have a deficit in the High Needs block which is being met either by the last of their reserves or movements from other blocks.

Other key findings, many of which align with the position in Cambridgeshire, were:

- There is an increase in numbers of pupils and costs for independent school places.
- There are increasing numbers of Post 16 places needed, but no additional funding in the High Needs Block to pay for them.
- There's an increased demand for Post-19 placements, with pupils then coming back into the High Needs Block system. Parental expectations that an EHCP automatically continues to age 25.
- Some LAs are seeing significant increases in the need for special school places. There is a view that there is banding creep, although it may be that less complex pupils are now staying in mainstream, placing more complex, more expensive pupils in special schools (with the knock on effect of higher funding to each school). This is not viewed as bad, but does introduce a pressure on the Higher Needs Block.
- More EHCPs are being requested as a result of recent changes to the system. The costs are massively increasing.
- Some LAs are experiencing difficulties in transition to EHCPs and management of annual review processes.
- There's an increased number of exclusions from school.
- Some LAs are seeing reduced social care contributions.

- 4.5 These pressures and increasing levels of demand have significant implications for future year budget setting, and the ability to support our most vulnerable young people from within the available levels of DSG funding.

- 4.6 Further to this, if the national funding reforms are implemented as per current proposals, it will not be possible to move funding between DSG funding blocks which will significantly reduce the flexibility to respond to cost pressures.

5.0 RECOMMENDATION

- 5.1 **Members of Schools Forum are asked to note the contents of the report and provide comment on key areas.**